

**TOP SECRET**

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**CURRENT INTELLIGENCE BULLETIN**

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**CENTRAL INTELLIGENCE AGENCY**

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## GENERAL

1. Comment on India's reported intention not to attend the Japanese Peace Conference:

Press reports from New Delhi on 25 August stated that Nehru will formally announce on 27 August India's decision not to attend the Japanese Peace Conference.

Prior to the end of July, there were indications that India would sign the multilateral Japanese peace treaty after commenting, for the record, on such subjects as the removal of foreign troops from Japan and the return of Formosa to Communist China.

India's shift once again points up the government's desire to exhibit itself as a "third force" in world affairs. By refusing to attend the San Francisco Conference, India separates itself further from the West which it views as tainted with colonialism and imperialism, currently engaged in dictating a peace settlement involving Asian issues.

Moreover, by not attending the Conference, India avoids becoming involved in complex maneuvers likely to result from Soviet attendance.

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2. Indonesia to send delegation to San Francisco:

The Indonesian Government announced on 25 August that it will send a delegation to San Francisco headed by Foreign Minister Subardjo.

Several hours after the announcement, the Indonesian Information Minister stated that whether the delegation would sign the treaty would "depend on the situation at San Francisco."

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Comment: In accordance with their "independent" foreign policy, the Indonesians cannot be expected to take any action at the conference which they feel might offend either the US or USSR. This would include the question of signing the treaty. The Indonesian attitude in this respect will be adversely influenced by India's and Burma's refusal to attend the conference.

Indonesia opposes the exclusion of Communist China and is dissatisfied with the reparations clause of the treaty. Fears that the lack of restrictions against Japanese rearmament will permit Japan's military resurgence have also been widely expressed in the press and political circles.

#### USSR

##### 25X1A 3. Ships and tankers sought by USSR in Danish trade talks:

 Ships and tankers of 5-6,000 registered tons and above were sought by the USSR from Denmark during current East-West trade talks in Geneva.

Discussions were opened by the Danish representatives, who asked whether the amount of grain Denmark had requested was available. The Soviet reply was that almost any amount of grain would be available in exchange for an adequate counterpart.

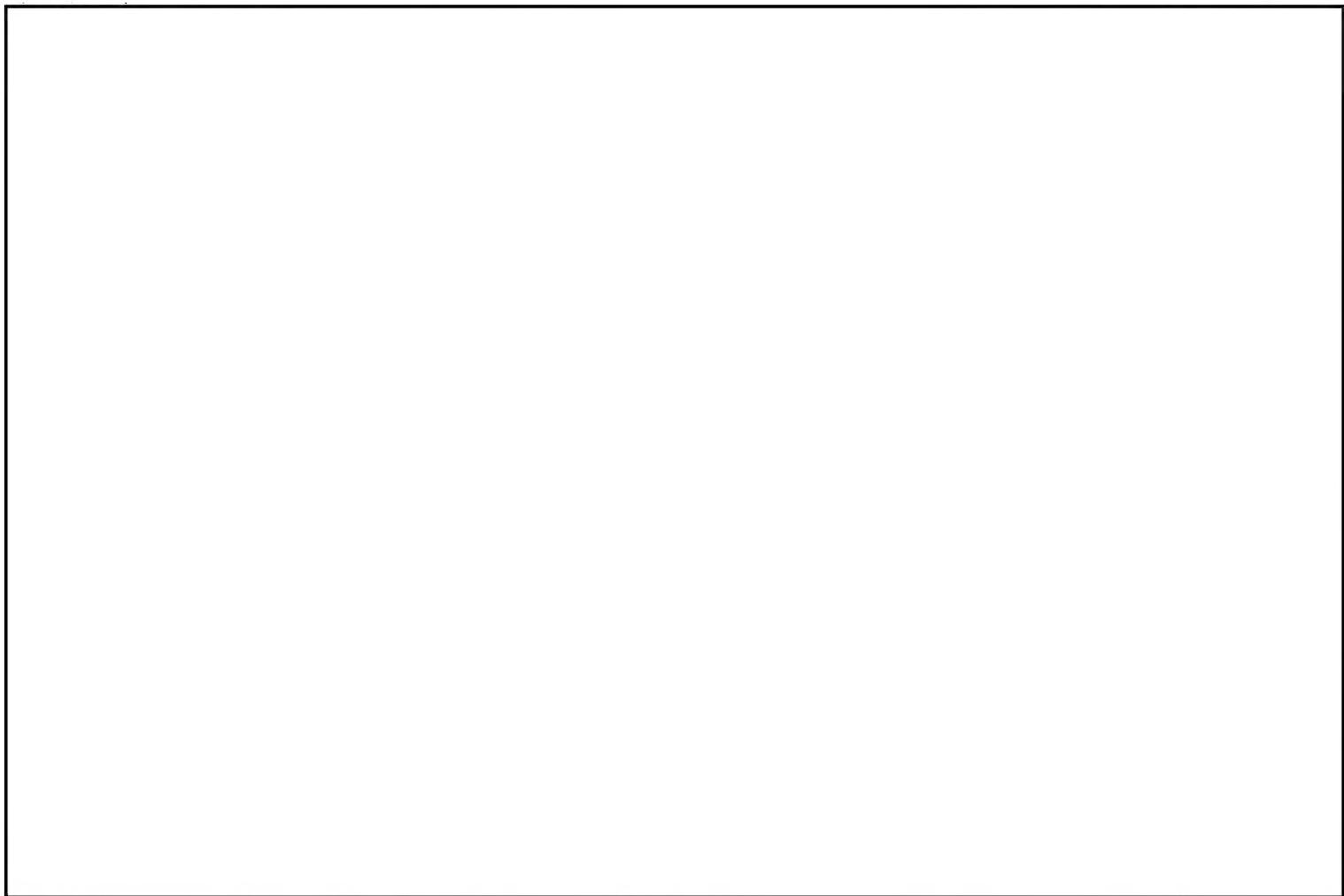
Denmark then presented a brief list, including some machinery, fishery and agricultural products, but the USSR countered with its request for ships and tankers, which was heavily emphasized. The USSR did not, however, ask for trawlers. The Danes replied that their ship yards were now filled to capacity and that there was therefore no prospect for meeting the Russian request within less than two years.

Comment: The USSR's delegate to this meeting has already stated that grain would be available to Western European countries in exchange for strategic commodities which were exported by them in 1949-50.

Soviet merchant shipping tonnage has been inadequate to meet the USSR's requirements, and Moscow has resorted to chartering Western vessels for many purposes. This desire for ships and tankers from Denmark may be partly explained by the USSR's current effort to utilize ocean transport from European ports in supplying Communist China, thus easing pressure on the Trans-Siberian Railroad and sources of supply in the Soviet Far East.

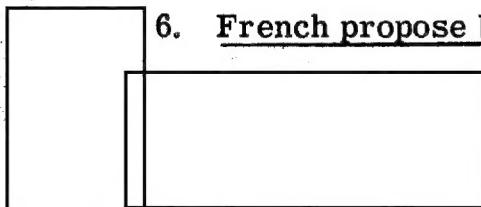
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## WESTERN EUROPE

6. French propose broader scope of revision of Italian Peace Treaty:

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According to a Foreign Office spokesman, the Foreign Minister is personally interested in having France on the record at this time, and the Foreign Office has submitted a draft declaration in this matter to the US. However, no immediate formal action toward revision is planned.

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